

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA, )  
                                )  
                                )  
Plaintiff                 ) No.  
v.                         )  
                                )  
LISA R SCHMITKE A/K/A LISA R ) Judge  
SCHMITKE-CARLSON,         )  
                                )  
Defendant.                 )

**COMPLAINT**

The United States of America, by John R Lausch, Jr, United States Attorney for the Northern District of Illinois, brings this action against the defendant, Lisa R Schmitke A/K/A Lisa R Schmitke-Carlson, and for its cause of action states:

**COUNT I**

1.     This Court has jurisdiction over this matter pursuant 28 U.S.C. § 1345.
2.     The defendant, Lisa R Schmitke A/K/A Lisa R Schmitke-Carlson, resides within the jurisdiction of the court.
3.     Pursuant to the provisions of Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1071 – 1087-2, and regulations promulgated thereunder 34 C.F.R. Part 682, the defendant executed promissory notes as more fully set forth in the Certificate of Indebtedness attached hereto as Exhibits “A” and “B”, respectively.
4.     All due credits and set-offs have been applied to the debt and there remains due and owing the principal sum of \$16,058.85 plus \$2,496.11 interest through April 27, 2015, with interest continuing to accrue at the contract rate, which debt, despite demand, has not been paid.

WHEREFORE, the United States demands judgment against the defendant as follows:

- a. in the amount of \$18,554.96 (\$16,058.85 principal and \$2,496.11 interest accrued through April 27, 2015);
- b. interest to continue to accrue at the contract rate until the date of Judgment;
- e. costs of suit as authorized by 28 U.S.C. §2412(a)(2); and
- f. for such other proper relief as this court may deem just.

Respectfully submitted,

JOHN R LAUSCH, JR  
United States Attorney

By: s/Ashley K. Rasmussen  
ASHLEY K. RASMUSSEN  
Potestivo & Associates, P.C.  
Attorneys for Plaintiff  
223 W. Jackson Blvd., Suite 610  
Chicago, Illinois 60606  
[arasmussen@potestivolaw.com](mailto:arasmussen@potestivolaw.com).  
312-263-0003

## Exhibit B

DEC 03 1999

# Direct Loans

William D. Ford Federal Direct Loan Program

## Federal Direct Consolidation Loan Application and Promissory Note

OMB No. 1840-0693  
Form Approved  
Exp. Date 3/31/99

#FC4317

### Before You Begin

This form should be printed in blue or black ink or typewritten and must be signed and dated by the applicant(s). If you cross out anything and write in new information, put your initials beside the change.

### Section A: Borrower Information

1. Last Name	First Name	Middle Initial	2. Social Security Number
Schmitke	Lisa	R.	
3. Permanent Street Address (If P.O. box, see instructions)		4. Home Area Code/Telephone Number	
2115 Yellow Star Ln.			
City	State	Zip Code	5. Fax Number (Optional)
Hinsdale	IL	60561	( )
6. Former Name(s)	7. Date of Birth		
9. Employer's Name	10. Employer's Address		
Rule			
11. Employer's Area Code/Telephone Number	City	State	Zip Code
( )			
12. If you are married, does your spouse have an eligible loan(s) (see instructions) that you want to consolidate with your loan(s)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
If yes, complete Section C, include your spouse's loan(s) in Section D, and have your spouse sign and date Item 30 in Section F.			

### Section B: Reference Information

13. References: Enter the requested information for two relatives or acquaintances who do not live with you and who have known you for at least three years. References may not live outside the United States.

Name	1. Robert Schmitke	2. Betsy Wahmann
Permanent Address		
City, State, Zip Code		
Area Code/Telephone		

### Section C: Spouse Information

To be completed only if you responded "Yes" to Item 12.

14. Last Name	First Name	Middle Initial	15. Social Security Number
16. Date of Birth	17. Driver's License Number (put state abbreviation first) ( )		
18. Former Name(s)	19. Fax Number (Optional) ( )		
20. Employer's Name	21. Employer's Address		
22. Employer's Area Code and Telephone Number ( )	City	State	Zip Code

Borrower's Name <u>Lisa R. Schmitke</u> Borrower's Social Security Number _____					
<b>Education Loan Indebtedness</b> (See instructions before completing this section.)					
23. Loan Holder/Servicer's Name, Address, and Area Code/Telephone Number	24. Loan Type	25. B=Borrower S=Spouse J=Joint	26. Account Number	27. Current Balance	28. To Be Consolidated? Yes      No
( ISAC 1755 Lake Cook Rd. Deerfield, IL 60015 847-948-8500 ()	B	B		\$ 7952. 25	X
( ISAC 1755 Lake Cook Rd. Deerfield, IL 60015 847-948-8500 ()	B	B		\$ 6383. 62	X
( )					
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DEC 03 1999

Borrower's Name Lisa R. Schmitke

Borrower's Social Security Number \_\_\_\_\_

**Section E: Repayment Plan Selection**

Carefully read the repayment plan information in "Direct Consolidation Loans" that accompanies this application and promissory note to understand your repayment plan options. Then, complete this section to select your repayment plan. Remember--

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" and "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms that accompany this application and promissory note. Your selection cannot be processed without these forms.
- **If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.**

29. Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

Income Contingent	Standard	Extended	Graduated
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STUDENT LOANS** *Direct Subsidized and Unsubsidized Consolidation Loans*

**PARENT LOANS** *Direct PLUS Consolidation Loans*

To be completed and signed by borrower and spouse, if applicable.

**Promise to Pay:**

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

This amount may be more or less than the estimated total balance I have indicated in Section D. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am

advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

**I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.**

30. Signature of Borrower

Date 11-16-99

Signature of Spouse (if consolidating jointly)

Date \_\_\_\_\_

## Promissory Note (continued)

### Governing Law and Notices

This Promissory Note (note) applies to Federal Direct Consolidation Loans (Direct Consolidation Loans). In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070 et seq., and applicable U.S. Department of Education (ED) regulations are referred to as "the Act." The terms of this note will be interpreted according to the Act and other applicable federal statutes and regulations. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this note.

### Disclosure of Terms

When the loan(s) that I am consolidating is paid off, I will be sent a Disclosure Statement and Repayment Schedule (disclosure). The disclosure will identify my Direct Consolidation Loan amount and additional terms of my loan. If I have questions about the information disclosed, I will contact ED. If the information in this note conflicts with the information in the disclosure, the disclosure will be controlling.

Important additional terms of this loan are disclosed in the statement of Borrower's Rights and Responsibilities accompanying this note.

I understand that my Direct Consolidation Loan may consist of up to three separate loan identification numbers depending on the loan(s) I choose to consolidate. These loan identification numbers will represent prior subsidized loans, prior unsubsidized loans, and prior parent PLUS loans. The Borrower's Rights and Responsibilities identifies which eligible loans are included in each of these categories. Each applicable loan identification number is represented by this note.

### Interest

Except for interest ED does not charge me during an in-school, grace, or deferment period, I agree to pay interest on the principal amount of my Direct Consolidation Loan from the date of disbursement until the loan is paid in full or discharged. ED may add interest that accrues but is not paid when due to the unpaid principal balance of this loan. This is called capitalization.

Interest will be calculated according to the applicable formulas provided for by the Act.

If my Direct Consolidation Loan includes previous parent PLUS loans, the interest rate for that portion of the loan during any 12-month period beginning on July 1 and ending on June 30, is determined on the preceding June 1 and is equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1 plus 3 1 percentage points, but shall not exceed 9 percent.

If my Direct Consolidation Loan includes previous loans other than parent PLUS loans, and I am in repayment, the interest rate for that portion of the loan during any 12-month period beginning on July 1 and ending on June 30, is determined on the preceding June 1 and is equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1 plus 2.3 percentage points, but shall not exceed 8.25 percent.

If my Direct Consolidation Loan includes previous loans other than parent PLUS loans, and I am in an in-school, grace, or deferment period, the interest rate for that portion of the loan during any 12-month period beginning on July 1 and ending on June 30, is determined on the preceding June 1 and is equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1 plus 1 7 percentage points, but shall not exceed 8.25 percent.

### Late Charges and Collection Costs

If I fail to make any part of an installment payment within 30 days after it becomes due, ED may collect from me a late charge that will not exceed six cents for each dollar of each late installment. If I default on the loan, I will pay reasonable collection fees and costs, plus court costs and attorney's fees associated with collection of the debt.

### Grace Period

My Direct Consolidation Loan will receive a grace period if I meet all of the following conditions: (1) I have at least one William D. Ford Federal Direct Loan (Direct Loan) Program loan or attend a Direct Loan school, (2) at least one Direct Loan or Federal Family Education Loan (FFEL) Program loan that I am consolidating is in an in-school period, and (3) my application for a Direct Consolidation Loan is received by ED prior to the end of my in-school period. A six-month grace period begins the day after I cease to be enrolled at least half time at an eligible school. (If my enrollment status changes to less than half time after I apply but before the first disbursement of my Direct Consolidation Loan, I will not have to make payments on my Direct Consolidation Loan for the number of months remaining in my grace period at the time the first disbursement is made.)

### Repayment

Unless my Direct Consolidation Loan is in an in-school or grace period when it is disbursed, I must select a repayment plan. If I do not select a repayment plan, ED will choose a plan for me in accordance with ED's regulations. My first payment will be due within 60 days of the first disbursement of my Direct Consolidation Loan unless it is in an in-school, grace, or deferment period. A repayment schedule will be furnished to me and will establish repayment terms, including my payment amount and the length of my repayment period. Payments will be scheduled in monthly installments. The amount of my monthly payment may be adjusted to reflect changes in the variable interest rate. ED may adjust my repayment schedule if ED learns that any of the loans listed herein is not eligible to be consolidated. My repayment period will be up to 30 years in length, depending on the amount of my student loan indebtedness and my repayment plan. Any period for which ED has granted a deferment or forbearance will not be included in determining my repayment period.

I may prepay all or any part of the unpaid balance on my loan at any time without penalty. I agree to accept written notification of such pay off in lieu of receiving the original note.

### Acceleration and Default

At the option of ED, the entire unpaid balance shall become immediately due and payable when either of the following events occurs: (i) I make false representation that results in my receiving a loan for which I am not eligible, or (ii) I default on the loan.

The following events shall constitute a default on a loan: (i) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; or (ii) I fail to make installment payments when due, or fail to comply with other terms of the loan, and ED reasonably concludes I no longer intend to honor my repayment obligation. My failure must have persisted for at least 180 days. If I default, ED will capitalize all outstanding interest into a new principal balance.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit rating. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities.

Following default, the loan may at ED's option, be subject to income contingent repayment in accordance with the Act.

Any notice required to be given to me will be effective when mailed by first class mail to the latest address that ED has for me. I will immediately notify ED of any change of my address. Failure by ED to enforce or insist on compliance with any term on this note shall not waive any right of ED. No provision of this note may be changed or waived except in writing by ED. If any provision of this note is determined to be unenforceable, the remaining provisions shall remain in force.

### Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

- (1) I certify that the information provided by me and my spouse, if applicable, in this note is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
- (2) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Federal Supplemental Educational Opportunity Grant, or a State Student Incentive Grant, or if I owe a refund, I have made satisfactory arrangements with the holder to repay the amount owed. I further certify that I am not now in default on any loan I am consolidating or if I am in default, I have either made a satisfactory repayment arrangement with the holder of that defaulted loan, or I will repay under the income contingent repayment plan. I understand that income contingent repayment is not available for the parent PLUS loan portion of my Direct Consolidation Loan.
- (3) I certify that all of the loans selected have been used to finance my education, my spouse's education, or my child's education.
- (4) I certify that I do not have any other application pending for a Federal Consolidation Loan with any other lender. If my student loans are in a grace or repayment period and if none of the loans I am consolidating is a Direct Loan Program loan, I further certify that I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender, or a lender would not provide me with a Federal Consolidation Loan with income-sensitive repayment terms acceptable to me. If I have parent PLUS loans and none of the loans I am consolidating is a Direct Loan Program loan, I further certify that I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender. If, however, I am consolidating jointly with my spouse, only one borrower, my spouse and I, must have sought a Federal Consolidation Loan from a FFEL Program lender.
- (5) I understand that this loan shall, to the extent used to discharge loans that I have selected, count against the applicable aggregate loan limits under the Act.
- (6) I understand that the amount of my Direct Consolidation Loan is the sum of the balance(s) of my outstanding eligible loan(s) that I have chosen to consolidate. My outstanding balance on each loan to be consolidated includes unpaid principal, unpaid accrued interest, and late charges as defined by federal regulations and as certified by each holder. Collection costs may also be included. For a Direct Loan or FFEL Program loan that is in default, ED limits collection costs that may be charged to the borrower to no more than those currently authorized under the FFEL Program and may impose reasonable limits on collection costs paid to the holder. If the amount ED advances to my holder(s) exceeds the amount needed to pay off the balance(s) of the selected loan(s), I understand that the holder will refund the excess to ED for application against the outstanding balance of the loan. If the amount that ED advances to my holder(s) is less than the amount needed to pay off the balance(s) of the loan(s) selected for consolidation, ED will include the remaining amount in the loan unless I pay the remaining balance myself.
- (7) I authorize ED to contact the holder(s) identified on my application to determine the eligibility and/or payoff amount for the loan(s) I have identified. I further authorize release to ED or its agent any information required to consolidate my education loan(s) pursuant to the Act.
- (8) I authorize ED to issue the proceeds of my Direct Consolidation Loan to the holder(s) of the loan(s) so selected to discharge the debt.
- (9) I authorize ED to investigate my credit record and report information concerning my loan status to proper persons and organizations authorized to receive this information.
- (10) I authorize the release of information pertinent to this loan (i) by my school(s) and ED, to members of my immediate family unless I submit written direction otherwise, and (ii) by and amongst my school(s), ED, and their agents.
- (11) I authorize my school(s), ED, and their agents, to verify my social security number with the Social Security Administration (SSA) and, if the number on my loan record is incorrect, then I authorize SSA to disclose my correct social security number to these parties.

# Exhibit B

**U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA**

**CERTIFICATE OF INDEBTEDNESS #1 OF 1**

Lisa R. Schmitke-Carlson  
AKA Lisa R. Schmitke  
2115 Yellowstar Lane  
Naperville, IL 60564-5330  
Account No. XXXXX

I certify that U.S. Department of Education records show that the BORROWER named above is indebted to the United States in the amount stated below plus additional interest as of 04/27/2015.

On or about 11/16/1999, the BORROWER executed a promissory note to secure a Direct Consolidation loan from the U.S. Department of Education. This loan was disbursed for \$8,088.25 and \$10,040.00 on 07/09/2004 at 4.25% interest per annum. The loan was made by the Department under the William D. Ford Federal Direct Loan Program under Title IV, Part D of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087a et seq. (34 C.F.R. Part 685). The Department demanded payment according to the terms of the note, and the BORROWER defaulted on the obligation on 11/10/2008. Pursuant to 34 C.F.R. § 685.202(b), a total of \$1,255.92 in unpaid interest was capitalized and added to the principal balance.

The Department has credited a total of \$7,033.02 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the BORROWER now owes the United States the following:

Principal:	\$16,058.85
Interest:	\$2,496.11
Total debt as of 04/27/2015:	\$18,554.96

Interest accrues on the principal shown here at the rate of \$1.87 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 09/30/15

Delfin M. Reyes  
Loan Analyst  
Litigation Support Unit

**Delfin M. Reyes  
Loan Analyst**